

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED)	
GAS ADJUSTMENT FILING OF)	CASE NO. 8568-RR
PENDLETON COUNTY WATER)	
DISTRICT, GAS DIVISION)	

O R D E R

On December 8, 1982, the Commission issued its Order in Case No. 8568 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On September 10, 1987, Pendleton County Water District, Gas Division, ("Pendleton") notified the Commission that it received an increase in rates from its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective October 1, 1987, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

On September 3, 1987, Pendleton was acquired by Union Light, Heat and Power Company ("ULH&P"). Pendleton's customers are, therefore, now customers of ULH&P and will be charged ULH&P's rates.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) The rate change proposed by Pendleton is inappropriate and should be denied.

(2) Pendleton's gas division should no longer make purchased gas adjustment (PGA) filings with this Commission.

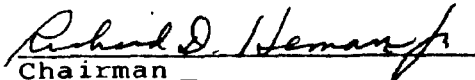
IT IS THEREFORE ORDERED that:

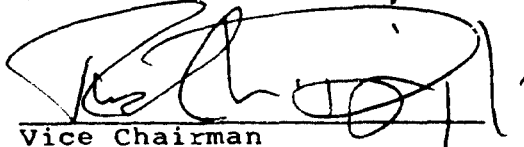
(1) The rate change proposed by Pendleton be and it hereby is denied.

(2) Pendleton shall file with this Commission no future PGA filings.

Done at Frankfort, Kentucky, this 2nd day of October, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

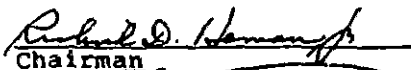
ATTEST:

Executive Director

8. B.L.S.T. will also have the burden of proof for demonstrating why a return on equity or amortization of an acquisition adjustment, that resulted from this transaction, should be allowed for rate-making purposes.

Done at Frankfort, Kentucky, this 2nd day of October, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director